



Editorial: AABFJ Volume 9, Issue 4, 2015

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On behalf of the editorial team, I congratulate the authors of this issue of AABFJ for their excellent and value-added research. As summarised below, this issue has published four original research papers and a technical note. All papers directly or indirectly have covered various issues relating to organisational governance and accountability.

Safari, Mirshekary and Wise (2015) have investigated whether higher levels of compliance with the Australian Corporate Governance Council's (ACGC) corporate governance principles by Australian listed companies leads to lower levels of earnings management by these companies. They have found that Australian listed companies with higher levels of compliance engage in lower levels of earnings management. Managers may have various motives for managing earnings which often affect the choices of the investors. Studies in this area have examined the effectiveness of various corporate governance mechanisms in constraining management's earnings management behaviour and the results of such studies are still inconclusive when the effectiveness of these corporate governance mechanisms are tested under varied contexts. Therefore, more studies on managers' earnings management behaviour are needed to avoid inappropriate generalisations.

Rehman and Wang(2015) did an interesting study by investigating the corporate cash holdings and adjustment behaviour in Chinese firms. They have found that as the Chinese firms have fewer alternatives of debt financing and that they have few alternatives to raise external capital, they therefore hold large amounts of non-income earning cash to meet possible future growth opportunities. As the second largest economy in the World, the Chinese capital market continuously attracts global attention. Although studies on Chinese capital markets have grown recently, more studies are needed as many aspects of the Chinese capital market operate somewhat uniquely compared to many other emerging and established capital markets.

Khamis, Hamdan and Elali (2015) have investigated the relationship between the ownership structures specifically institutional and managerial ownership and corporate performance in the context of Bahrain. They have found that while institutional ownership affected company performance positively in general, managerial ownership affected company performance only under certain conditions. There are plenty of empirical studies that have investigated the association between ownership structure and company performance. However, most of these studies were conducted under the context of developed countries. More studies are needed in the context of developing countries where the political, regulatory and cultural contexts are significantly different from the contexts of developed countries.

Indonesia's public sector reforms initiatives after the fall of the dictatorial government of Suharto in 1998 have started to attract global attention. Most of the reforms that were

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introduced in Indonesia actually were new public management (NPM) oriented reforms. Debates have emerged in Indonesia indicating that these reforms have failed to deliver the intended benefits of greater accountability and transparency in the Indonesian public sector. Some studies have claimed that many of these reforms could be considered to have failed. Hudaya, Smark, Watts and Silaen (2015) have explored the role of the local government public accountability forums in enhancing local government accountability in Indonesia. They have found that the accountability reporting reform through the accountability forum is mainly ceremonial and targeted towards complying with the regulation rather a genuine instrument for accountability to public. While Hudaya et al. have provided empirical evidence that the NPM oriented accountability reforms have failed to deliver the intended results; they did not expand their exploration to answer the question why they have failed. More studies are needed to find out why some of the NPM type reforms have failed in Indonesia and whether similar phenomena been experienced by other developing jurisdictions who have implemented the NPM oriented public sector reforms initiatives.

Rizky's (2015) technical note on the effect of Fed's quantitative easing policy on the performance of listed companies and banking sector in Indonesia is an interesting one which opens up further ideas to conduct empirical investigations in this area. Rizky has observed that the global influence from Fed's quantitative easing policy has affected the Indonesian banking sector. Empirical evidence needs to be established to support Rizky's observation.

The papers and the technical note published in this issue are truly international and four of them are actually depicting the context of developing countries. One of the goals of the AABFJ is to disseminate research findings that are conducted in the context of developing countries. The editorial board of the AABFJ is pleased to see that most of the papers in this issue have explored various accounting and related issues of the developing countries.

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